

1 AN ACT concerning schools.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The School Code is amended by adding Section
5 34-23.5 as follows:

6 (105 ILCS 5/34-23.5 new)

7 Sec. 34-23.5. Issuance of notes, bonds, or other
8 obligations in lieu of tax anticipation warrants.

9 (a) In lieu of issuing tax anticipation warrants in
10 accordance with Section 34-23 of this Code, the board may
11 issue notes, bonds, or other obligations (and in connection
12 with that issuance, establish a line of credit with a bank)
13 in an amount not to exceed 85% of the amount of property
14 taxes most recently levied for educational and building
15 purposes. Moneys thus borrowed shall be applied to the
16 purposes for which they were obtained and no other purpose.
17 All moneys so borrowed shall be repaid from the taxes when
18 collected.

19 (b) Borrowing authorized under subsection (a) of this
20 Section shall bear interest at a rate not to exceed the
21 maximum rate authorized by the Bond Authorization Act, from
22 the date of issuance until paid.

23 (c) Prior to the board borrowing or establishing a line
24 of credit under this Section, the board shall authorize, by
25 resolution, the borrowing or line of credit. The resolution
26 shall set forth facts demonstrating the need for the
27 borrowing or line of credit, state the amount to be borrowed,
28 establish a maximum interest rate limit not to exceed that
29 set forth in subsection (b) of this Section, and provide a
30 date by which the borrowed funds shall be repaid. The
31 resolution shall direct the relevant officials to make

1 arrangements to set apart and hold the taxes, as received,
2 that will be used to repay the borrowing. In addition, the
3 resolution may authorize the relevant officials to make
4 partial repayments of the borrowing as the taxes become
5 available and may contain any other terms, restrictions, or
6 limitations not inconsistent with the provisions of this
7 Section.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.